

**Illinois Department of Revenue
Regulations**

Title 86 Part 130 Section 130.1945 Co-operative Associations

TITLE 86: REVENUE

**PART 130
Retailers' Occupation Tax**

Section 130.1945 Co-operative Associations

a) In General

- 1) A co-operative association consists of a group of persons, whether incorporated or not, organized for the purpose of purchasing or producing, and selling to shareholders, members or others, such items as groceries, provisions or other articles of merchandise, for cash or otherwise, at retail, at such reasonable prices over the cost thereof as will enable the shareholders or members of such association to obtain or to dispose of such commodities at the smallest practicable rate of cost.
- 2) Such co-operative associations are deemed to operate for pecuniary profit. Their receipts from all retail sales of tangible personal property are subject to Retailers' Occupation Tax.

b) Agricultural Co-operative Associations

- 1) Agricultural Co-operative Associations, organized under the Agricultural Co-operative Act [805 ILCS 315], although deemed nonprofit organizations, nevertheless engage in the business of marketing and selling agricultural products for the purpose of making a profit for the payment of dividends on shares held by members who are producers. Their receipts from all retail sales of tangible personal property are subject to Retailers' Occupation Tax.
- 2) To the extent that Agricultural Co-operative Associations engage in selling services those receipts are subject to the Service Occupation Tax Act.

(Source: Amended at 22 Ill. Reg. 19919, effective October 28, 1998)